

105TH CONGRESS
2D SESSION

S. 2166

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in such Acts through fiscal year 2002, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 1998

Mr. HARKIN (for himself, Mr. LEAHY, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in such Acts through fiscal year 2002, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Child Nutrition and WIC Reauthorization Amendments
 4 of 1998”.

5 (b) TABLE OF CONTENTS.—The table of contents of
 6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SCHOOL LUNCH AND RELATED PROGRAMS

- Sec. 101. Technical amendments to commodity provisions.
- Sec. 102. Availability of recovered funds for management activity.
- Sec. 103. Elimination of administration of programs by regional offices.
- Sec. 104. Requirement for health and safety inspections.
- Sec. 105. Elimination of food and nutrition projects and establishment of an
adequate meal service period.
- Sec. 106. Buy American.
- Sec. 107. Summer food service program for children.
- Sec. 108. Commodity distribution program.
- Sec. 109. Child and adult care food program.
- Sec. 110. Transfer of homeless assistance programs to the child and adult care
food program.
- Sec. 111. Elimination of pilot projects.
- Sec. 112. Training and technical assistance.
- Sec. 113. Food service management institute.
- Sec. 114. Compliance and accountability.
- Sec. 115. Information clearinghouse.
- Sec. 116. Refocusing of effort to help accommodate the special dietary needs
of individuals with disabilities.

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

- Sec. 201. Elimination of administration of programs by regional offices.
- Sec. 202. State administrative expenses.
- Sec. 203. Special supplemental nutrition program for women, infants, and chil-
dren.
- Sec. 204. Nutrition education and training.

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

- Sec. 301. Commodity distribution program reforms.
- Sec. 302. Food distribution.

TITLE IV—EFFECTIVE DATE

- Sec. 401. Effective date.

1 **TITLE I—SCHOOL LUNCH AND**
 2 **RELATED PROGRAMS**

3 **SEC. 101. TECHNICAL AMENDMENTS TO COMMODITY PRO-**
 4 **VISIONS.**

5 (a) IN GENERAL.—Section 6 of the National School
 6 Lunch Act (42 U.S.C. 1755) is amended—

7 (1) by striking subsections (c) and (d); and

8 (2) by redesignating subsections (e), (f), and

9 (g) as subsections (c), (d), and (e), respectively.

10 (b) CONFORMING AMENDMENTS.—The National
 11 School Lunch Act is amended by striking “section 6(e)”
 12 each place it appears in sections 14(f), 16(a), and
 13 17(h)(1)(B) (42 U.S.C. 1762a(f), 1765(a),
 14 1766(h)(1)(B)) and inserting “section 6(c)”.

15 **SEC. 102. AVAILABILITY OF RECOVERED FUNDS FOR MAN-**
 16 **AGEMENT ACTIVITY.**

17 Section 8 of the National School Lunch Act (42
 18 U.S.C. 1757) is amended by adding at the end the follow-
 19 ing:

20 “(h) RETENTION AND USE OF RECOVERED PRO-
 21 GRAM FUNDS.—

22 “(1) RETENTION.—A State agency may retain
 23 up to 50 percent of any program funds recovered as
 24 a result of an audit or review conducted by the State
 25 agency of school food authorities, institutions, and

1 service institutions participating in food assistance
 2 programs authorized under this Act or section 3 or
 3 4 of the Child Nutrition Act of 1966 (42 U.S.C.
 4 1772, 1773).

5 “(2) USE.—Funds retained by a State agency
 6 under this subsection shall be used by the State
 7 agency for allowable program costs to improve the
 8 management and operation of programs described in
 9 paragraph (1) within the State, including the cost of
 10 providing funds to school food authorities, institu-
 11 tions, and service institutions participating in the
 12 programs.”.

13 **SEC. 103. ELIMINATION OF ADMINISTRATION OF PRO-**
 14 **GRAMS BY REGIONAL OFFICES.**

15 (a) MATCHING REQUIREMENT.—Section 7(b) of the
 16 National School Lunch Act (42 U.S.C. 1756(b)) is amend-
 17 ed by striking the second sentence.

18 (b) DISBURSEMENT TO SCHOOLS BY THE SEC-
 19 RETARY.—Section 10 of the National School Lunch Act
 20 (42 U.S.C. 1759) is amended to read as follows:

21 **“SEC. 10. DISBURSEMENT TO SCHOOLS BY THE SEC-**
 22 **RETARY.**

23 “(a) AUTHORITY TO ADMINISTER PROGRAMS.—

24 “(1) IN GENERAL.—Except as provided in para-
 25 graph (3), until September 30, 2000, the Secretary

1 shall withhold funds payable to a State agency under
2 this Act and disburse the funds directly to school
3 food authorities, institutions, and service institutions
4 within the State for the purposes authorized by this
5 Act to the extent that the Secretary has so withheld
6 and disbursed the funds continuously since October
7 1, 1980.

8 “(2) USE OF FUNDS.—Any funds withheld and
9 disbursed by the Secretary under paragraph (1)
10 shall be used for the same purposes and be subject
11 to the same conditions as apply to disbursing funds
12 made available to States under this Act.

13 “(3) STATE ADMINISTRATION.—If the Sec-
14 retary is administering (in whole or in part) any
15 program authorized under this Act in a State, the
16 State may, on request to the Secretary, assume ad-
17 ministrative responsibility for the program at any
18 time before October 1, 2000.

19 “(b) PROVISION OF TRAINING AND TECHNICAL AS-
20 SISTANCE.—The Secretary shall provide a State agency
21 that assumes administrative responsibility for a program
22 from the Secretary on or before October 1, 2000, with
23 training and technical assistance to allow for an efficient
24 and effective transfer of the responsibility.”.

1 (c) CONFORMING AMENDMENT.—Section
 2 11(a)(1)(A) of the National School Lunch Act (42 U.S.C.
 3 1759a(a)(1)(A)) is amended by striking “Except as pro-
 4 vided in section 10 of this Act, in” and inserting “In”.

5 **SEC. 104. REQUIREMENT FOR HEALTH AND SAFETY IN-**
 6 **SPECTIONS.**

7 Section 9 of the National School Lunch Act (42
 8 U.S.C. 1758) is amended by adding at the end the follow-
 9 ing:

10 “(h) HEALTH AND SAFETY INSPECTIONS.—A school
 11 participating in the school lunch program authorized
 12 under this Act or the school breakfast program authorized
 13 under section 4 of the Child Nutrition Act of 1966 (42
 14 U.S.C. 1773) in which meals are prepared on site shall,
 15 at least twice during each school year, obtain an inspection
 16 that indicates that food service operations of the school
 17 meet State and local health and safety standards.”.

18 **SEC. 105. ELIMINATION OF FOOD AND NUTRITION**
 19 **PROJECTS AND ESTABLISHMENT OF AN ADE-**
 20 **QUATE MEAL SERVICE PERIOD.**

21 Section 12 of the National School Lunch Act (42
 22 U.S.C. 1760) is amended by striking subsection (m) and
 23 inserting the following:

24 “(m) LENGTH OF MEAL SERVICE PERIOD AND FOOD
 25 SERVICE ENVIRONMENT.—A school participating in the

1 school lunch program authorized under this Act or the
 2 school breakfast program authorized under section 4 of
 3 the Child Nutrition Act of 1966 (42 U.S.C. 1773) shall,
 4 to the maximum extent practicable, establish meal service
 5 periods that provide children with adequate time to fully
 6 consume their meals in an environment that is conducive
 7 to eating the meals.”.

8 **SEC. 106. BUY AMERICAN.**

9 Section 12 of the National School Lunch Act (42
 10 U.S.C. 1760) (as amended by section 105) is amended by
 11 adding at the end the following:

12 “(n) BUY AMERICAN.—

13 “(1) IN GENERAL.—The Secretary shall require
 14 that a school purchase, to the maximum extent prac-
 15 ticable, food products that are produced in the
 16 United States.

17 “(2) LIMITATIONS.—Paragraph (1) shall apply
 18 only to—

19 “(A) a school located in the contiguous
 20 United States; and

21 “(B) a purchase of a food product for the
 22 school lunch program authorized under this Act
 23 or the school breakfast program authorized
 24 under section 4 of the Child Nutrition Act of
 25 1966 (42 U.S.C. 1773).”.

1 **SEC. 107. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
 2 **DREN.**

3 (a) ADJUSTMENTS TO REIMBURSEMENT RATES.—
 4 Section 12 of the National School Lunch Act (42 U.S.C.
 5 1760) is amended by striking subsection (f) and inserting
 6 the following:

7 “(f) ADJUSTMENTS TO REIMBURSEMENT RATES.—
 8 In providing assistance for breakfasts, lunches, suppers,
 9 and supplements served in Alaska, Hawaii, Guam, Amer-
 10 ican Samoa, Puerto Rico, the Virgin Islands, and the
 11 Commonwealth of the Northern Mariana Islands, the Sec-
 12 retary may establish appropriate adjustments for each
 13 such State to the national average payment rates pre-
 14 scribed under sections 4, 11, 13 and 17 of this Act and
 15 section 4 of the Child Nutrition Act of 1966 (42 U.S.C.
 16 1773) to reflect the differences between the costs of pro-
 17 viding meals in those States and the costs of providing
 18 meals in all other States.”.

19 (b) ESTABLISHMENT OF SITE LIMITATION.—Section
 20 13(a)(7)(B) of the National School Lunch Act (42 U.S.C.
 21 1761(a)(7)(B)) is amended by striking clause (i) and in-
 22 serting the following:

23 “(i) operate—

24 “(I) not more than 25 sites, with not more
 25 than 300 children being served at any 1 site; or

1 “(II) with a waiver granted by the State
 2 agency under standards developed by the Sec-
 3 retary, with not more than 500 children being
 4 served at any 1 site;”.

5 (c) ELIMINATION OF INDICATION OF INTEREST RE-
 6 QUIREMENT, REMOVAL OF MEAL CONTRACTING RESTRIC-
 7 TIONS, AND VENDOR REGISTRATION REQUIREMENTS.—
 8 Section 13 of the National School Lunch Act (42 U.S.C.
 9 1761) is amended—

10 (1) in subsection (a)(7)(B)—

11 (A) by striking clauses (ii) and (iii); and

12 (B) by redesignating clauses (iv) through
 13 (vii) as clauses (ii) through (v) respectively; and

14 (2) in subsection (l)—

15 (A) in paragraph (1)—

16 (i) in the first sentence—

17 (I) by striking “(other than pri-
 18 vate nonprofit organizations eligible
 19 under subsection (a)(7))”; and

20 (II) by striking “only with food
 21 service management companies reg-
 22 istered with the State in which they
 23 operate” and inserting “with food
 24 service management companies”; and
 25 (ii) by striking the last sentence;

1 (B) in paragraph (2)—

2 (i) in the first sentence, by striking

3 “shall” and inserting “may”; and

4 (ii) by striking the second and third
5 sentences;

6 (C) by striking paragraph (3); and

7 (D) by redesignating paragraphs (4) and
8 (5) as paragraphs (3) and (4), respectively.

9 (d) REAUTHORIZATION OF SUMMER FOOD SERVICE
10 PROGRAM.—Section 13(q) of the National School Lunch
11 Act (42 U.S.C. 1761(q)) is amended by striking “1998”
12 and inserting “2002”.

13 **SEC. 108. COMMODITY DISTRIBUTION PROGRAM.**

14 Section 14(a) of the National School Lunch Act (42
15 U.S.C. 1762a(a)) is amended by striking “1998” and in-
16 serting “2002”.

17 **SEC. 109. CHILD AND ADULT CARE FOOD PROGRAM.**

18 (a) REVISION TO LICENSING AND ALTERNATE AP-
19 PROVAL FOR SCHOOLS AND OUTSIDE SCHOOL HOURS
20 CHILD CARE CENTERS.—Section 17(a) of the National
21 School Lunch Act (42 U.S.C. 1766(a)) is amended in the
22 fifth sentence by striking paragraph (1) and inserting the
23 following:

1 “(1) each institution (other than a school or
2 family or group day care home sponsoring organiza-
3 tion) and family or group day care home shall—

4 “(A)(i) have Federal, State, or local licens-
5 ing or approval; or

6 “(ii) be complying with appropriate re-
7 newal procedures as prescribed by the Secretary
8 and not be the subject of information possessed
9 by the State indicating that the license of the
10 institution or home will not be renewed;

11 “(B) in any case in which Federal, State,
12 or local licensing or approval is not available—

13 “(i) receive funds under title XX of
14 the Social Security Act (42 U.S.C. 1397 et
15 seq.);

16 “(ii) meet any alternate approval
17 standards established by a State or local
18 government; or

19 “(iii) meet any alternate approval
20 standards established by the Secretary,
21 after consultation with the Secretary of
22 Health and Human Services; or

23 “(C) in any case in which the institution
24 provides care to school children outside school
25 hours and Federal, State, or local licensing or

1 approval is not required, meet State or local
 2 health and safety standards; and”.

3 (b) REINSTATEMENT OF CATEGORICAL ELIGIBILITY
 4 FOR EVEN START PROGRAM PARTICIPANTS.—Section
 5 17(c)(6)(B) of the National School Lunch Act (42 U.S.C.
 6 1766(c)(6)(B)) is amended by striking “1997” and insert-
 7 ing “2002”.

8 (c) TAX EXEMPT STATUS AND REMOVAL OF NOTIFI-
 9 CATION REQUIREMENT FOR INCOMPLETE APPLICA-
 10 TIONS.—Section 17(d)(1) of the National School Lunch
 11 Act (42 U.S.C. 1766(d)(1)) is amended—

12 (1) by inserting after the third sentence the fol-
 13 lowing: “An institution moving toward compliance
 14 with the requirement for tax exempt status shall be
 15 allowed to participate in the child and adult care
 16 food program for a period of not more than 180
 17 days, except that a State agency may grant a single
 18 extension of not to exceed an additional 90 days if
 19 the institution demonstrates, to the satisfaction of
 20 the State agency, that the inability of the institution
 21 to obtain tax exempt status within the 180-day pe-
 22 riod is due to circumstances beyond the control of
 23 the institution.”; and

24 (2) by striking the last sentence.

1 (d) DISTRIBUTION OF PROGRAM INFORMATION.—
 2 Section 17(k) of the National School Lunch Act (42
 3 U.S.C. 1766(k)) is amended—

4 (1) by striking “A State” and inserting the fol-
 5 lowing:

6 “(1) IN GENERAL.—A State”; and

7 (2) by adding at the end the following:

8 “(2) DISTRIBUTION OF PROGRAM INFORMA-
 9 TION.—

10 “(A) DEFINITION OF NEEDY AREA.—In
 11 this paragraph, the term ‘needy area’ means a
 12 geographic area served by a school enrolling ele-
 13 mentary students in which at least 50 percent
 14 of the total number of children enrolled are cer-
 15 tified as eligible to receive free or reduced price
 16 school meals under this Act or the Child Nutri-
 17 tion Act of 1966 (42 U.S.C. 1771 et seq.).

18 “(B) INFORMATION.—At least once every
 19 2 years, each State agency shall provide notifi-
 20 cation of the availability of the program, the re-
 21 quirements for program participation, and the
 22 application procedures to be followed under the
 23 program to each nonparticipating institution or
 24 family or group day care home that—

1 “(i) is located in a needy area within
2 the State; and

3 “(ii)(I) has received Federal, State, or
4 local licensing or approval; or

5 “(II) receives funds under title XX of
6 the Social Security Act (42 U.S.C. 1397 et
7 seq.).”.

8 (e) ELIMINATION OF AUDIT FUNDS, ESTABLISH-
9 MENT OF MANAGEMENT SUPPORT FUNDING, PARTICIPA-
10 TION BY AT-RISK CHILD CARE PROGRAMS, AND WIC
11 OUTREACH.—Section 17 of the National School Lunch
12 Act (42 U.S.C. 1766) is amended—

13 (1) by striking subsection (i);

14 (2) by redesignating subsections (j) through (p)
15 as subsections (i) through (o), respectively; and

16 (3) by adding at the end the following:

17 “(p) MANAGEMENT FUNDING.—

18 “(1) TECHNICAL AND TRAINING ASSISTANCE.—

19 In addition to the normal training and technical as-
20 sistance provided to State agencies under this sec-
21 tion, the Secretary shall provide training and tech-
22 nical assistance in order to assist the State agencies
23 in improving their program management and over-
24 sight under this section.

1 “(2) FUNDING.—For fiscal year 1999 and each
 2 succeeding fiscal year, the Secretary shall reserve to
 3 carry out paragraph (1) $\frac{1}{8}$ of 1 percent of the
 4 amount made available to carry out this section.

5 “(q) AT-RISK CHILD CARE.—

6 “(1) DEFINITION OF AT-RISK SCHOOL CHILD.—
 7 In this subsection, the term ‘at-risk school child’
 8 means a child who—

9 “(A) is not less than 12 nor more than 18
 10 years of age; and

11 “(B) lives in a geographical area served by
 12 a school enrolling elementary students in which
 13 at least 50 percent of the total number of chil-
 14 dren enrolled are certified as eligible to receive
 15 free or reduced price school meals under this
 16 Act or the Child Nutrition Act of 1966 (42
 17 U.S.C. 1771 et seq.).

18 “(2) PARTICIPATION IN CHILD AND ADULT
 19 CARE FOOD PROGRAM.—Subject to the other provi-
 20 sions of this subsection, an institution that provides
 21 care to at-risk school children during after-school
 22 hours, weekends, or holidays during the regular
 23 school year may participate in the program author-
 24 ized under this section.

1 “(3) ADMINISTRATION.—Except as otherwise
2 provided in this subsection, the other provisions of
3 this section apply to an institution described in para-
4 graph (2).

5 “(4) SUPPLEMENT REIMBURSEMENT.—

6 “(A) LIMITATIONS.—An institution may
7 claim reimbursement under this subsection only
8 for—

9 “(i) a supplement served to at-risk
10 school children during after-school hours,
11 weekends, or holidays during the regular
12 school year; and

13 “(ii) 1 supplement per child per day.

14 “(B) RATE.—A supplement shall be reim-
15 bursed under this subsection at the rate estab-
16 lished for a free supplement under subsection
17 (c)(3).

18 “(C) NO CHARGE.—A supplement claimed
19 for reimbursement under this subsection shall
20 be served without charge.

21 “(r) INFORMATION CONCERNING THE SPECIAL SUP-
22 PLEMENTAL NUTRITION PROGRAM FOR WOMEN, IN-
23 FANTS, AND CHILDREN.—

24 “(1) IN GENERAL.—The Secretary shall provide
25 each State agency administering a child and adult

1 care food program under this section with informa-
2 tion concerning the special supplemental nutrition
3 program for women, infants, and children authorized
4 under section 17 of the Child Nutrition Act of 1966
5 (42 U.S.C. 1786).

6 “(2) REQUIREMENTS FOR STATE AGENCIES.—A
7 State agency shall ensure that each participating
8 child care center (other than an institution providing
9 care to school children outside school hours)—

10 “(A) receives materials that include—

11 “(i) a basic explanation of the impor-
12 tance and benefits of the special supple-
13 mental nutrition program for women, in-
14 fants, and children;

15 “(ii) the maximum State income eligi-
16 bility standards, according to family size,
17 for the program; and

18 “(iii) information concerning how ben-
19 efits under the program may be obtained;

20 “(B) is provided updates of the informa-
21 tion described in subparagraph (A) at least an-
22 nually; and

23 “(C) provides the information described in
24 subparagraph (A) to parents of enrolled chil-
25 dren at least annually.”.

1 (f) PERMANENT AUTHORIZATION OF DEMONSTRATION PROJECT.—Section 17(o) of the National School
 2 TION PROJECT.—Section 17(o) of the National School
 3 Lunch Act (42 U.S.C. 1766(o)) (as redesignated by sub-
 4 section (e)) is amended by striking paragraphs (4) and
 5 (5).

6 **SEC. 110. TRANSFER OF HOMELESS ASSISTANCE PRO-**
 7 **GRAMS TO THE CHILD AND ADULT CARE**
 8 **FOOD PROGRAM.**

9 (a) SUMMER FOOD SERVICE PROGRAM FOR CHILD-
 10 DREN.—Section 13(a)(3)(C) of the National School Lunch
 11 Act (42 U.S.C. 1761(a)(3)(C)) is amended—

12 (1) in clause (i), by inserting “or” after the
 13 semicolon;

14 (2) by striking clause (ii); and

15 (3) by redesignating clause (iii) as clause (ii).

16 (b) CHILD AND ADULT CARE FOOD PROGRAM.—Sec-
 17 tion 17 of the National School Lunch Act (as amended
 18 by section 109(e)) is amended—

19 (1) in the third sentence of subsection (a)—

20 (A) by striking “and public” and inserting
 21 “public”; and

22 (B) by inserting before the period at the
 23 following: “, and emergency shelters described
 24 in subsection (s)”; and

25 (2) by adding at the end the following:

1 “(s) PARTICIPATION BY EMERGENCY SHELTERS.—

2 “(1) DEFINITION OF EMERGENCY SHELTER.—

3 In this subsection, the term ‘emergency shelter’
4 means a public or private nonprofit emergency shel-
5 ter (as defined in section 321 of the Stewart B.
6 McKinney Homeless Assistance Act (42 U.S.C.
7 11351)), or a site operated by the shelter, that pro-
8 vides food service to homeless children and their par-
9 ents or guardians.

10 “(2) ADMINISTRATION.—Except as otherwise
11 provided in this subsection, the other provisions of
12 this section shall apply to an emergency shelter that
13 is participating in the program authorized under this
14 section.

15 “(3) INSTITUTION AND SITE LICENSING.—Sub-
16 section (a)(1) shall not apply to an emergency shel-
17 ter.

18 “(4) HEALTH AND SAFETY STANDARDS.—To be
19 eligible to participate in the program authorized
20 under this section, an emergency shelter shall com-
21 ply with applicable State and local health and safety
22 standards.

23 “(5) MEAL REIMBURSEMENT.—

1 “(A) LIMITATIONS.—An emergency shelter
2 may claim reimbursement under this subsection
3 only for—

4 “(i) a meal served to children who are
5 not more than 12 years of age residing at
6 the emergency shelter; and

7 “(ii) not more than 3 meals, or 2
8 meals and 1 supplement, per child per day.

9 “(B) RATE.—A meal shall be reimbursed
10 under this subsection at the rate established for
11 a free meal under subsection (c).

12 “(C) NO CHARGE.—A meal claimed for re-
13 imbursement under this subsection shall be
14 served without charge.”.

15 (c) HOMELESS CHILDREN NUTRITION PROGRAM.—
16 Section 17B of the National School Lunch Act (42 U.S.C.
17 1766b) is repealed.

18 **SEC. 111. ELIMINATION OF PILOT PROJECTS.**

19 Section 18 of the National School Lunch Act (42
20 U.S.C. 1769) is amended by striking subsections (e)
21 through (i).

22 **SEC. 112. TRAINING AND TECHNICAL ASSISTANCE.**

23 Section 21(e)(1) of the National School Lunch Act
24 (42 U.S.C. 1769b–1(e)(1)) is amended by striking “1998”
25 and inserting “2002”.

1 **SEC. 113. FOOD SERVICE MANAGEMENT INSTITUTE.**

2 Section 21(e)(2)(A) of the National School Lunch
3 Act (42 U.S.C. 1769b–1(e)(2)(A)) is amended by striking
4 “and \$2,000,000 for fiscal year 1996” and inserting
5 “\$2,000,000 for each of fiscal years 1996 through 1998,
6 and \$3,000,000 for fiscal year 1999”.

7 **SEC. 114. COMPLIANCE AND ACCOUNTABILITY.**

8 Section 22(d) of the National School Lunch Act (42
9 U.S.C. 1769c(d)) is amended by striking “1996” and in-
10 serting “2002”.

11 **SEC. 115. INFORMATION CLEARINGHOUSE.**

12 Section 26 of the National School Lunch Act (42
13 U.S.C. 1769g) is amended—

14 (1) in the first sentence of subsection (a), by
15 striking “shall” and inserting “may”;

16 (2) in subsection (b), by striking “The” and in-
17 serting “Except as provided in subsection (d), the”;
18 and

19 (3) by striking subsection (d) and inserting the
20 following:

21 “(d) NONCOMPETITIVE CONTRACTS.—Notwithstand-
22 ing any other provision of law, the Secretary may, on a
23 noncompetitive basis, enter into a contract for the services
24 of any organization with which the Secretary has pre-
25 viously entered into a contract under this section, if the

1 organization has performed satisfactorily under the con-
 2 tract and meets the requirements of this section.

3 “(e) FUNDING.—The Secretary may provide to the
 4 organization selected under this section an amount not to
 5 exceed \$150,000 for each of fiscal years 1999 through
 6 2002.”.

7 **SEC. 116. REFOCUSING OF EFFORT TO HELP ACCOMMO-**
 8 **DATE THE SPECIAL DIETARY NEEDS OF INDIV-**
 9 **IDUALS WITH DISABILITIES.**

10 Section 27 of the National School Lunch Act (42
 11 U.S.C. 1769h) is amended to read as follows:

12 **“SEC. 27. ACCOMMODATION OF SPECIAL DIETARY NEEDS**
 13 **OF INDIVIDUALS WITH DISABILITIES.**

14 “(a) DEFINITIONS.—In this section:

15 “(1) COVERED PROGRAM.—The term ‘covered
 16 program’ means—

17 “(A) the school lunch program authorized
 18 under this Act;

19 “(B) the school breakfast program author-
 20 ized under section 4 of the Child Nutrition Act
 21 of 1966 (42 U.S.C. 1773); and

22 “(C) any other program authorized under
 23 this Act or the Child Nutrition Act of 1966 (ex-
 24 cept section 17 of that Act) that the Secretary
 25 determines is appropriate.

1 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
 2 tity’ means a school food authority, institution, or
 3 service institution that participates in a covered pro-
 4 gram.

5 “(3) INDIVIDUALS WITH DISABILITIES.—The
 6 term ‘individual with disabilities’ has the meaning
 7 given the term in section 7 of the Rehabilitation Act
 8 of 1973 (29 U.S.C. 706) for purposes of title VII of
 9 that Act (29 U.S.C. 796 et seq.).

10 “(b) ACTIVITIES.—The Secretary may carry out ac-
 11 tivities to help accommodate the special dietary needs of
 12 individuals with disabilities who are participating in a cov-
 13 ered program, including—

14 “(1) developing and disseminating to State
 15 agencies guidance and technical assistance materials;

16 “(2) conducting training of State agencies and
 17 eligible entities; and

18 “(3) issuing grants to State agencies and eligi-
 19 ble entities.”.

20 **TITLE II—SCHOOL BREAKFAST** 21 **AND RELATED PROGRAMS**

22 **SEC. 201. ELIMINATION OF ADMINISTRATION OF PRO-** 23 **GRAMS BY REGIONAL OFFICES.**

24 Section 5 of the Child Nutrition Act of 1966 (42
 25 U.S.C. 1774) is amended to read as follows:

1 **“SEC. 5 DISBURSEMENT TO SCHOOLS BY THE SECRETARY.**

2 **“(a) AUTHORITY TO ADMINISTER PROGRAMS.—**

3 **“(1) IN GENERAL.—**Except as provided in para-
4 graph (3), until September 30, 2000, the Secretary
5 shall withhold funds payable to a State agency under
6 this Act and disburse the funds directly to school
7 food authorities, institutions, and service institutions
8 within the State for the purposes authorized by this
9 Act to the extent that the Secretary has so withheld
10 and disbursed the funds continuously since October
11 1, 1980.

12 **“(2) USE OF FUNDS.—**Any funds withheld and
13 disbursed by the Secretary under paragraph (1)
14 shall be used for the same purposes and be subject
15 to the same conditions as apply to disbursing funds
16 made available to States under this Act.

17 **“(3) STATE ADMINISTRATION.—**If the Sec-
18 retary is administering (in whole or in part) any
19 program authorized under this Act in a State, the
20 State may, on request to the Secretary, assume ad-
21 ministrative responsibility for the program at any
22 time before October 1, 2000.

23 **“(b) PROVISION OF TRAINING AND TECHNICAL AS-**
24 **SISTANCE.—**The Secretary shall provide a State agency
25 that assumes administrative responsibility for a program
26 from the Secretary on or before October 1, 2000, with

1 training and technical assistance to allow for an efficient
 2 and effective transfer of administrative responsibility.”.

3 **SEC. 202. STATE ADMINISTRATIVE EXPENSES.**

4 (a) HOMELESS SHELTERS.—Section 7(a)(5) of the
 5 Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)) is
 6 amended by striking subparagraph (B) and inserting the
 7 following:

8 “(B) REALLOCATION OF FUNDS.—

9 “(i) RETURN TO SECRETARY.—For
 10 each fiscal year, any amounts appropriated
 11 that are not obligated or expended during
 12 the fiscal year and are not carried over for
 13 the succeeding fiscal year under subpara-
 14 graph (A) shall be returned to the Sec-
 15 retary.

16 “(ii) REALLOCATION BY SEC-
 17 RETARY.—The Secretary shall allocate, for
 18 purposes of administrative costs, any re-
 19 maining amounts among States that dem-
 20 onstrate a need for the amounts.”.

21 (b) ELIMINATION OF TRANSFER LIMITATION.—Sec-
 22 tion 7(a) of the Child Nutrition Act of 1966 (42 U.S.C.
 23 1776(a)) is amended by striking paragraph (6) and insert-
 24 ing the following:

1 “(6) USE OF ADMINISTRATIVE FUNDS.—Funds
 2 available to a State under this subsection and under
 3 section 13(k)(1) of the National School Lunch Act
 4 (42 U.S.C. 1761(k)(1)) may be used by the State
 5 for the costs of administration of the programs au-
 6 thorized under the National School Lunch Act (42
 7 U.S.C. 1751 et seq.) or this Act (except for the pro-
 8 grams authorized under sections 17 and 21 of this
 9 Act) without regard to the basis on which the funds
 10 were earned and allocated.”.

11 (c) REAUTHORIZATION OF PROGRAM.—Section 7(g)
 12 of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g))
 13 is amended by striking “1998” and inserting “2002”.

14 **SEC. 203. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
 15 **FOR WOMEN, INFANTS, AND CHILDREN.**

16 (a) ADDITIONAL PROGRAM APPLICATION REQUIRE-
 17 MENTS.—Section 17(d)(3) of the Child Nutrition Act of
 18 1966 (42 U.S.C. 1786(d)(3)) is amended by adding at the
 19 end the following:

20 “(C) PHYSICAL PRESENCE.—An applicant
 21 shall be physically present at each certification
 22 visit to receive program benefits.

23 “(D) INCOME DOCUMENTATION.—An ap-
 24 plicant shall provide documentation of house-
 25 hold income, or of participation in a program

1 described in clause (ii) or (iii) of paragraph
 2 (2)(A), at certification to be determined to meet
 3 income eligibility requirements for the program.

4 “(E) VERIFICATION.—The Secretary shall
 5 issue regulations under this subsection prescrib-
 6 ing when and how verification of income shall
 7 be required.”.

8 (b) DISTRIBUTION OF NUTRITION EDUCATION MA-
 9 TERIALS.—Section 17(e)(3) of the Child Nutrition Act of
 10 1966 (42 U.S.C. 1786(e)(3)) is amended—

11 (1) by striking “(3) The” and inserting the fol-
 12 lowing:

13 “(3) NUTRITION EDUCATION MATERIALS.—

14 “(A) IN GENERAL.—The”; and

15 (2) by adding at the end the following:

16 “(B) SHARING OF MATERIALS WITH
 17 CSFP.—The Secretary may provide, in bulk
 18 quantity, nutrition education materials (includ-
 19 ing materials promoting breastfeeding) devel-
 20 oped with funds made available for the program
 21 authorized under this section to State agencies
 22 administering the commodity supplemental food
 23 program authorized under sections 4(a) and 5
 24 of the Agriculture and Consumer Protection

1 Act of 1973 (Public Law 93–86; 7 U.S.C. 612c
2 note) at no cost to that program.”.

3 (c) REAUTHORIZATION OF PROGRAM.—Section 17 of
4 the Child Nutrition Act of 1966 (42 U.S.C. 1786) is
5 amended in subsections (g)(1) and (h)(2)(A) by striking
6 “1998” each place it appears and inserting “2002”.

7 (d) INFANT FORMULA PROCUREMENT.—Section
8 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C.
9 1786(h)(8)(A)) is amended by adding at the end the fol-
10 lowing:

11 “(iii) COMPETITIVE BIDDING SYS-
12 TEM.—A State agency using a competitive
13 bidding system for infant formula shall
14 award a contract to the bidder offering the
15 lowest net price unless the State agency
16 demonstrates to the satisfaction of the Sec-
17 retary that the weighted average retail
18 price for different brands of infant formula
19 in the State does not vary by more than 5
20 percent.”.

21 (e) INFRASTRUCTURE AND BREASTFEEDING SUP-
22 PORT AND PROMOTION.—Section 17(h)(10)(A) of the
23 Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(A))
24 is amended by striking “1998” and inserting “2002”.

1 (f) SPEND-FORWARD AUTHORITY.—Section 17(i)(3)
 2 of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3))
 3 is amended—

4 (1) in subparagraph (A)—

5 (A) in clause (i), by striking “and” at the
 6 end;

7 (B) in clause (ii)—

8 (i) by inserting “nutrition services and
 9 administration” after “amount of”; and

10 (ii) by striking the period at the end
 11 and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(iii) with the prior approval of the
 14 Secretary, not more than 4 percent of the
 15 amount of funds allocated to a State agen-
 16 cy for nutrition services and administration
 17 for a fiscal year under this section may be
 18 expended by the State agency during the
 19 subsequent fiscal year for the costs of de-
 20 veloping electronic benefit transfer.”;

21 (2) in subparagraph (B), by striking “subpara-
 22 graph (A)(ii)” and inserting “clauses (ii) and (iii) of
 23 subparagraph (A)”;

24 (3) by striking subparagraphs (D) through (G);
 25 and

1 (4) by redesignating subparagraph (H) as sub-
2 paragraph (D).

3 (g) FARMERS MARKET NUTRITION PROGRAM.—

4 (1) MATCHING FUNDS REQUIREMENT.—Section
5 17(m)(3) of the Child Nutrition Act of 1966 (42
6 U.S.C. 1786(m)(3)) is amended by striking “total”
7 each place it appears and inserting “administrative”.

8 (2) RANKING CRITERIA FOR STATE PLANS.—
9 Section 17(m)(6) of the Child Nutrition Act of 1966
10 (42 U.S.C. 1786(m)(6)) is amended—

11 (A) by striking subparagraph (F); and

12 (B) by redesignating subparagraph (G) as
13 subparagraph (F).

14 (3) FUNDING.—Section 17(m)(9)(A) of the
15 Child Nutrition Act of 1966 (42 U.S.C.
16 1786(m)(9)(A)) is amended by striking “1998” and
17 inserting “2002”.

18 (h) DISQUALIFICATION OF CERTAIN VENDORS.—

19 (1) IN GENERAL.—Section 17 of the Child Nu-
20 trition Act of 1996 (42 U.S.C. 1786) is amended by
21 adding at the end the following:

22 “(o) DISQUALIFICATION OF VENDORS CONVICTED OF
23 TRAFFICKING OR ILLEGAL SALES.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (4), a State agency shall permanently dis-

1 qualify from participation in the program authorized
2 under this section a vendor convicted of—

3 “(A) trafficking in food instruments (in-
4 cluding any voucher, draft, check, or access de-
5 vice (including an electronic benefit transfer
6 card or personal identification number) issued
7 in lieu of a food instrument under this section);
8 or

9 “(B) selling firearms, ammunition, explo-
10 sives, or controlled substances (as defined in
11 section 102 of the Controlled Substances Act
12 (21 U.S.C. 802)) in exchange for food instru-
13 ments.

14 “(2) NOTICE OF DISQUALIFICATION.—The
15 State agency shall—

16 “(A) provide the vendor with notification
17 of the disqualification; and

18 “(B) make the disqualification effective on
19 the date of receipt of the notice of disqualifica-
20 tion.

21 “(3) PROHIBITION OF RECEIPT OF LOST REVE-
22 NUES.—A vendor shall not be entitled to receive any
23 compensation for revenues lost as a result of dis-
24 qualification under this subsection.

1 “(4) **HARDSHIP EXCEPTION IN LIEU OF DIS-**
2 **QUALIFICATION.**—

3 “(A) **IN GENERAL.**— A State agency may
4 permit a vendor that, but for this paragraph,
5 would be disqualified under paragraph (1), to
6 continue to redeem food instruments or other-
7 wise provide supplemental foods to participants
8 if the State agency determines, in its sole dis-
9 cretion according to criteria established by the
10 Secretary, that disqualification of the vendor
11 would cause hardship to participants in the pro-
12 gram authorized under this section.

13 “(B) **CIVIL MONEY PENALTY.**—If a State
14 agency authorizes a vendor that, but for this
15 paragraph, would be disqualified to redeem food
16 instruments or provide supplemental foods
17 under subparagraph (A), the State agency shall
18 assess the vendor a civil money penalty in lieu
19 of disqualification.

20 “(C) **AMOUNT.**—The State agency shall
21 determine the amount of the civil penalty ac-
22 cording to criteria established by the Sec-
23 retary.”.

24 (2) **REGULATIONS.**—The amendment made by
25 paragraph (1) shall take effect on the date on which

1 the Secretary of Agriculture issues a final regulation
2 that includes the criteria for—

3 (A) making hardship determinations; and

4 (B) determining the amount of a civil
5 money penalty in lieu of disqualification.

6 **SEC. 204. NUTRITION EDUCATION AND TRAINING.**

7 Section 19(i) of the Child Nutrition Act of 1966 (42
8 U.S.C. 1788(i)) is amended—

9 (1) by striking the subsection heading and all
10 that follows through paragraph (3)(A) and inserting
11 the following:

12 “(i) AUTHORIZATION OF APPROPRIATIONS.—

13 “(1) IN GENERAL.—

14 “(A) FUNDING.—There are authorized to
15 be appropriated such sums as are necessary to
16 carry out this section for each of fiscal years
17 1997 through 2002.”; and

18 (2) by redesignating paragraphs (4) and (5) as
19 paragraphs (2) and (3), respectively.

20 **TITLE III—COMMODITY**
21 **DISTRIBUTION PROGRAMS**

22 **SEC. 301. COMMODITY DISTRIBUTION PROGRAM REFORMS.**

23 (a) COMMODITY SPECIFICATIONS.—Section 3(a) of
24 the Commodity Distribution Reform Act and WIC Amend-
25 ments of 1987 (Public Law 100–237; 7 U.S.C. 612c note)

1 is amended by striking paragraph (2) and inserting the
2 following:

3 “(2) APPLICABILITY.—Paragraph (1) shall
4 apply to—

5 “(A) the commodity supplemental food
6 program authorized under sections 4(a) and 5
7 of the Agriculture and Consumer Protection
8 Act of 1973 (Public Law 93–86; 7 U.S.C. 612c
9 note);

10 “(B) the food distribution program on In-
11 dian reservations authorized under section 4(b)
12 of the Food Stamp Act of 1977 (7 U.S.C.
13 2013(b)); and

14 “(C) the school lunch program authorized
15 under the National School Lunch Act (42
16 U.S.C. 1751 et seq.).”.

17 (b) CUSTOMER ACCEPTABILITY INFORMATION.—Sec-
18 tion 3(f) of the Commodity Distribution Reform Act and
19 WIC Amendments of 1987 (Public Law 100–237; 7
20 U.S.C. 612c note) is amended by striking paragraph (2)
21 and inserting the following:

22 “(2) CUSTOMER ACCEPTABILITY INFORMA-
23 TION.—

24 “(A) IN GENERAL.—The Secretary shall
25 ensure that information with respect to the

1 types and forms of commodities that are most
 2 useful is collected from recipient agencies par-
 3 ticipating in programs described in subsection
 4 (a)(2).

5 “(B) FREQUENCY.—The information shall
 6 be collected at least once every 2 years.

7 “(C) ADDITIONAL SUBMISSIONS.—The
 8 Secretary—

9 “(i) may require submission of infor-
 10 mation described in subparagraph (A)
 11 from recipient agencies participating in
 12 other domestic food assistance programs
 13 administered by the Secretary; and

14 “(ii) shall provide the recipient agen-
 15 cies a means for voluntarily submitting
 16 customer acceptability information.”.

17 **SEC. 302. FOOD DISTRIBUTION.**

18 (a) IN GENERAL.—Sections 8 through 12 of the
 19 Commodity Distribution Reform Act and WIC Amend-
 20 ments of 1987 (Public Law 100–237; 7 U.S.C. 612c note)
 21 are amended to read as follows:

22 **“SEC. 8. AUTHORITY TO TRANSFER COMMODITIES BE-**
 23 **TWEEN PROGRAMS.**

24 “(a) TRANSFER.—Subject to subsection (b), the Sec-
 25 retary may transfer any commodities purchased for a do-

1 mestic food assistance program administered by the Sec-
 2 retary to any other domestic food assistance program ad-
 3 ministered by the Secretary if the transfer is necessary
 4 to ensure that the commodities will be used while the com-
 5 modities are still suitable for human consumption.

6 “(b) REIMBURSEMENT.—The Secretary shall, to the
 7 maximum extent practicable, provide reimbursement for
 8 the value of the commodities transferred under subsection
 9 (a) from accounts available for the purchase of commod-
 10 ities under the program receiving the commodities.

11 “(c) CREDITING.—Any reimbursement made under
 12 subsection (b) shall—

13 “(1) be credited to the accounts that incurred
 14 the costs when the transferred commodities were
 15 originally purchased; and

16 “(2) be available for the purchase of commod-
 17 ities with the same limitations as are provided for
 18 appropriated funds for the reimbursed accounts for
 19 the fiscal year in which the transfer takes place.

20 **“SEC. 9. AUTHORITY TO RESOLVE CLAIMS.**

21 “(a) IN GENERAL.—The Secretary may determine
 22 the amount of, settle, and adjust all or part of a claim
 23 arising under a domestic food assistance program adminis-
 24 tered by the Secretary.

1 “(b) WAIVERS.—The Secretary may waive a claim
2 described in subsection (a) if the Secretary determines
3 that a waiver would serve the purposes of the program.

4 “(c) AUTHORITY OF THE ATTORNEY GENERAL.—
5 Nothing in this section diminishes the authority of the At-
6 torney General under section 516 of title 28, United
7 States Code, or any other provision of law, to supervise
8 and conduct litigation on behalf of the United States.

9 **“SEC. 10. PAYMENT OF COSTS ASSOCIATED WITH MANAGE-**
10 **MENT OF COMMODITIES THAT POSE A**
11 **HEALTH OR SAFETY HAZARD.**

12 “(a) IN GENERAL.—The Secretary may use funds
13 available to carry out section 32 of the Act of August 24,
14 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), that
15 are not otherwise committed, for the purpose of reimburs-
16 ing States for State and local costs associated with com-
17 modities distributed under any domestic food assistance
18 program administered by the Secretary if the Secretary
19 determines that the commodities pose a health or safety
20 hazard.

21 “(b) ALLOWABLE COSTS.—The costs—

22 “(1) may include costs for storage, transpor-
23 tation, processing, and destruction of the hazardous
24 commodities; and

1 “(2) shall be subject to the approval of the Sec-
2 retary.

3 “(c) REPLACEMENT COMMODITIES.—

4 “(1) IN GENERAL.—The Secretary may use
5 funds described in subsection (a) for the purpose of
6 purchasing additional commodities if the purchase
7 will expedite replacement of the hazardous commod-
8 ities.

9 “(2) RECOVERY.—Use of funds under para-
10 graph (1) shall not restrict the Secretary from recov-
11 ering funds or services from a supplier or other en-
12 tity regarding the hazardous commodities.

13 “(d) CREDITING OF RECOVERED FUNDS.—Funds re-
14 covered from a supplier or other entity regarding the haz-
15 ardous commodities shall—

16 “(1) be credited to the account available to
17 carry out section 32 of the Act of August 24, 1935
18 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), to the
19 extent the funds represent expenditures from that
20 account under subsections (a) and (c); and

21 “(2) remain available to carry out the purposes
22 of section 32 of that Act until expended.

1 **“SEC. 11. AUTHORITY TO ACCEPT COMMODITIES DONATED**
2 **BY FEDERAL SOURCES.**

3 “(a) IN GENERAL.—The Secretary may accept dona-
4 tions of commodities from any Federal agency, including
5 commodities of another Federal agency determined to be
6 excess personal property pursuant to section 202(d) of the
7 Federal Property and Administrative Services Act of 1949
8 (40 U.S.C. 483(d)).

9 “(b) USE.—The Secretary may donate the commod-
10 ities received under subsection (a) to States for distribu-
11 tion through any domestic food assistance program admin-
12 istered by the Secretary.

13 “(c) PAYMENT.—Notwithstanding section 202(d) of
14 the Federal Property and Administrative Services Act of
15 1949 (40 U.S.C. 483(d)), the Secretary shall not be re-
16 quired to make any payment in connection with the com-
17 modities received under subsection (a).”.

18 (b) EFFECT ON PRIOR AMENDMENTS.—The amend-
19 ment made by subsection (a) does not affect the amend-
20 ments made by sections 8 through 12 of the Commodity
21 Distribution Reform Act and WIC Amendments of 1987
22 (Public Law 100–237; 7 U.S.C. 612c note), as in effect
23 on September 30, 1998.

1 **TITLE IV—EFFECTIVE DATE**

2 **SEC. 401. EFFECTIVE DATE.**

3 Except as provided in section 203(h)(2), this Act and
4 the amendments made by this Act take effect on October
5 1, 1998.

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